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August 1, 2005

Ms. Catherine W. Seidel  
Acting Chief, Wireless Telecommunications Bureau  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Ms. Kris Monteith  
Chief, Enforcement Bureau  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: Enhanced 911 Status Report

Dear Ms. Seidel and Ms. Monteith:

Verizon Wireless hereby submits its quarterly status report documenting the progress of its efforts to deploy Enhanced 911 ("E911") capabilities, as required by the Commission's *Order* granting Verizon Wireless a waiver from certain Phase II E911 obligations.<sup>1</sup> There have been no additional deployment benchmarks that Verizon Wireless was required to meet since its last quarterly report. Should you need additional information, please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "John T. Scott, III". The signature is written in a cursive, slightly stylized font.

John T. Scott, III

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<sup>1</sup> *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Request for Waiver by Verizon Wireless, CC Docket No. 94-102 ("Order"), 16 FCC Rcd. 18634 (2001).

## **E911 Status - Quarterly Report – August 1, 2005**

### **SUMMARY**

Verizon Wireless has successfully implemented extensive network components, purchased modified handsets, and completed a complex series of tasks associated with providing enhanced 911 Phase I and Phase II location services to the public. Verizon Wireless' efforts to deploy enhanced 911 location services are summarized as follows:

- Verizon Wireless can support E911 Phase II service requests in markets supported by all three of its switch vendors.
  - Verizon Wireless met its milestones for completing deployment of the network-assisted portion of AGPS/AFLT in Lucent and Nortel markets by April 1, 2002 and August 1, 2002 respectively.
  - Verizon Wireless completed deployment of the network-assisted portion of AGPS/AFLT in its Motorola markets by March 1, 2003.
  - As of July 15, 2005, and since its last report, Verizon Wireless has deployed Phase I service to another 125 PSAPs. Verizon Wireless now provides Phase I E911 service to a total of 2,970 PSAPs serving an estimated population of 201 million residents in parts or all of 48 States.
  - Verizon Wireless has also deployed Phase II service to an additional 189 PSAPs since its last report. VZW now provides Phase II E911 service to 1,986 PSAPs serving an estimated population of 163 million residents in parts or all of 44 states.
  - Verizon Wireless has also deployed an interim EFLT solution in its Lucent and Nortel-switched markets that is activated commensurate with the activation of Phase II E911 AGPS/AFLT service to individual PSAPs.
- As of December 31, 2003 all of the handset models Verizon Wireless sells are GPS-capable of transmitting location.
  - Recent changes in GPS-capable handset penetration trends have led Verizon Wireless to conclude that although it will come close to the 95% penetration level, it may not reach that milestone by December 31, 2005. Verizon Wireless will continue to keep the Commission informed regarding its progress over the coming months.

## I. HANDSET DEPLOYMENT

The *Order* required Verizon Wireless to begin selling and activating AGPS/AFLT capable handsets no later than December 31, 2001. Verizon Wireless met that requirement and other handset benchmarks:

- The *Order* established certain handset sales and activation milestones, requiring that at least 25% of all new handsets sold and activated between July 31, 2002 and March 30, 2003 were to be AGPS/AFLT capable. Verizon Wireless exceeded that requirement; 34% of its new handsets activated during that period were AGPS/AFLT capable.
- The *Order* required that at least 50% of all new handsets sold and activated between March 31, 2003 and December 30, 2003 were to be AGPS/AFLT capable. Verizon Wireless exceeded the 50% deployment milestone; 78% of its new handsets activated during the period were AGPS/AFLT capable.
- The *Order* required that beginning December 31, 2003, 100% of all new handsets sold and activated were to be AGPS/AFLT capable. Starting November 2001, Verizon Wireless required the AGPS/AFLT capability in all new handset models it ordered from manufacturers. As a result, by December 31, 2003, 100% of all the new handsets Verizon Wireless offered for sale via its direct distribution channels (company-owned stores and personnel, telemarketing and web-based sales channels) were AGPS/AFLT-capable.
- Verizon Wireless also instituted multiple requirements and procedures intended to ensure that its indirect distribution channels (those authorized agents and retailers who purchase and sell their own handsets and activate service on Verizon Wireless' behalf) offered only GPS-capable handsets by December 31, 2003.
- All of Verizon Wireless' handsets are GPS-capable: Samsung models SCH-N330, , SCH-A650, SCH-A650PPD, SCH-A670, SCH-I730, SCH-A790, SCH-A890 and SCH I600; Audiovox models CDM8600, CDM8910, CDM8940, XV6600 and XV6600WOC; LG models VX3200, VX4500, VX4650, VX4700, VX6100, VX6100PPD, VX7000, VX8000 and VX8100; Motorola models A840, E815, T300P, V60p, V65p, V260, V265, and V710; Kyocera models K404, KX414, KX414PPD, KX444, KX1 and KX2; RIM Blackberry 6750, 7250 and 7750; Nokia model 3589i; 6015i, 6015iPPD and TREO 600 and TREO 650. Verizon Wireless will continue to supplement its product line with additional GPS capable phones throughout 2005.

## Verizon Wireless' Growth in GPS Handset Penetration Has Recently Slowed

In October 2001, when the Commission granted the *VZW Waiver Order*, none of Verizon Wireless' 27.5 million customers owned a GPS-capable handset. Since then, Verizon Wireless has sold approximately 50 million GPS-capable handsets and, as of June 30, 2005, 88% of our customers have GPS-capable handsets. Verizon Wireless has met or exceeded each of the Commission's handset milestones in the *VZW Waiver Order*, has complied with the Commission's E911 rules, and has demonstrated its commitment to meeting the E911 deployment goals shared by Verizon Wireless, the public safety community, and the Commission. Despite these efforts, at this time it appears that Verizon Wireless may fall just short of the 95% milestone by year's end.

Verizon Wireless introduced its first GPS-capable handset in December 2001 and has continued to bring dozens of new models to market, without compromising its rigorous standards for equipment quality. It has offered a wide variety of GPS-capable handsets in its product line, at all price ranges, and has subsidized and advertised these handsets. Verizon Wireless worked with its handset vendors to introduce innovative GPS models in sufficient quantities to encourage early acceptance by its customer base, as demonstrated by success in exceeding the Commission's interim 25% and 50% handset sales and activations milestones.

In accordance with the *Order*, 100% of the digital handsets offered for new sales and activations have contained GPS chipsets since December 31, 2003. While these efforts led to rapid growth in the number of the company's subscribers that have GPS-capable handsets, that growth rate has slowed in recent months.

As the Commission has acknowledged<sup>2</sup>, various factors<sup>3</sup> could hamper a carrier's ability to promote GPS handset deployment, causing the actual pace of deployment to lag. Verizon Wireless's experience bears this out. The availability of a large product line, advanced phone features, and extensive promotions of new plans resulted in monthly increases of overall GPS penetration by approximately 2.0-7.0% each month during 2003 and 2004. By early 2005, the penetration rate of GPS-capable handsets was 81%, and there was no basis to conclude that the 95% level was not achievable by year-end.

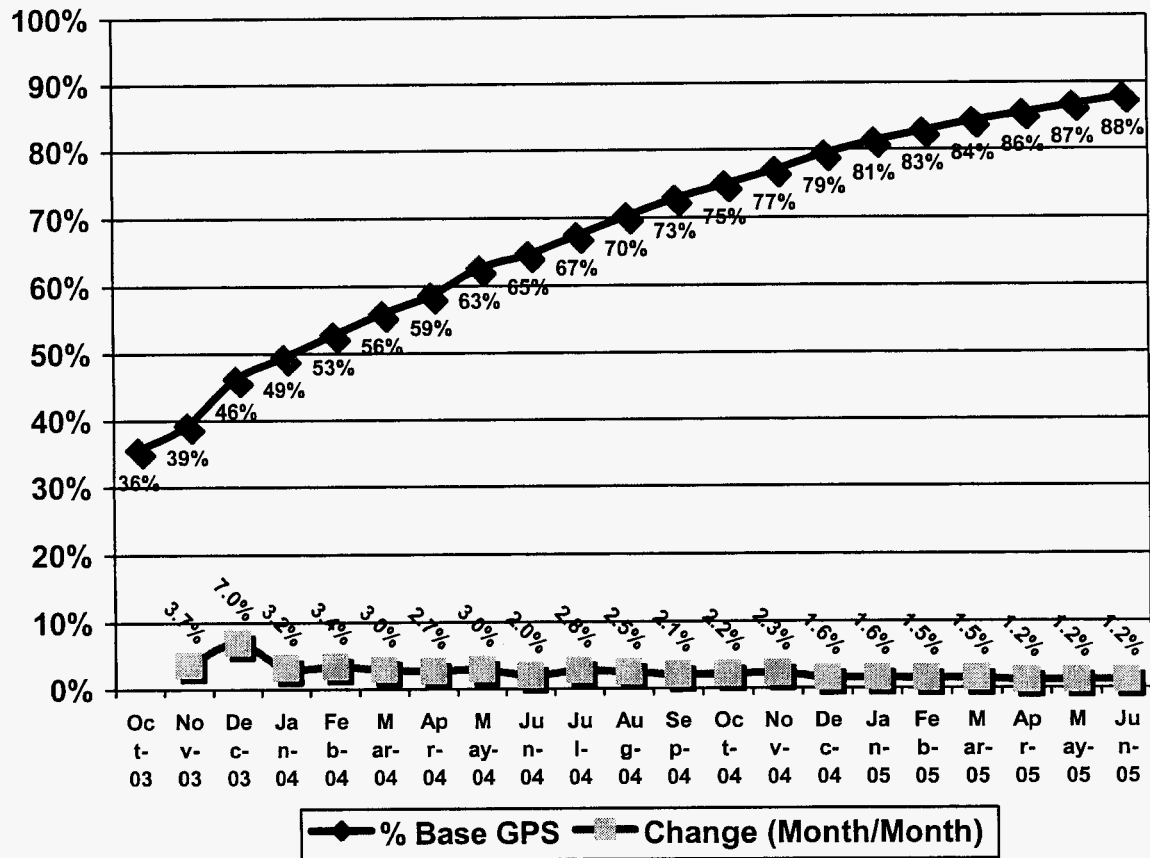
Recently, however, Verizon Wireless has observed a consistent slowing of the monthly increase in total GPS penetration. For the first half of this year, the monthly increase in GPS penetration has ranged between 1.6 and 1.2%, and is expected to slow

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<sup>2</sup> Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, CC Docket No. 94-102, *Third Report and Order*, 14 FCC Rcd. 17388, ¶ 51, (1999) ("*E911 Third R&O*").

<sup>3</sup> One such factor is churn. In the *E911 Third R&O*, the Commission based its E911 handset targets and timetables on a projected 2% average monthly churn rates the wireless industry experienced historically and was experiencing at the time. However, Verizon Wireless' monthly churn has averaged well below 2% for the past two years – and was the industry's lowest during the period since the Commission established its deployment schedule. For example, Verizon Wireless's recent first quarter 2005 churn rate averaged 1.3% per month, far lower than the average of 2.2% per month for the other national carriers.

even further as the year continues. The principal reason for this slowdown is that while new GPS-capable handset sales continue to be brisk, newer GPS phones are now replacing older, but nevertheless compliant, GPS-capable handsets bought by customers two to three years ago. It is thus a simple arithmetical matter that further increases in penetration will slow, since an increasing proportion of handset churn is GPS-to-GPS, which has no effect on increasing the overall penetration rate. Thus, even insofar as Verizon Wireless' marketing efforts continue to result in handset turnover among its own subscribers – precisely what the Commission's rules envision – such turnover does *not* necessarily improve the company's ability to reach the 95% penetration milestone.



Another factor is that some customers have chosen not to upgrade their equipment. Despite the promotions, advertising appeals, and attractiveness of new products and services over the last four years, approximately 12% of Verizon Wireless's customers have declined to replace their handsets.

This trend has led Verizon Wireless to conclude that although it will come close to the 95% penetration level, it may not reach that milestone by December 31, 2005. Verizon Wireless will continue to encourage its legacy customers to choose to convert to GPS-capable handsets and will keep the Commission informed regarding its progress over the coming months.

## **II. PHASE I & II PSAP DEPLOYMENT STATUS CHARTS**

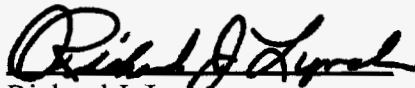
As part of this status update regarding Verizon Wireless' Phase II compliance efforts, the FCC requested information regarding all pending Phase I and Phase II requests. The FCC required carriers to utilize a uniform reporting format for listing pending and completed deployments in place of individual, carrier developed report formats. The attached charts provide the status of the progress of Phase I and Phase II requests as of July 15, 2005.

Below is a summary of Verizon Wireless's deployment activities:

- Verizon Wireless deployed Phase I service to another 125 PSAPs since its last Quarterly Report. As of July 15, 2005 Verizon Wireless provides Phase I E911 service to a total of 2,970 PSAPs serving an estimated population of 201 million residents. Verizon Wireless provides live Phase I E911 service to PSAPs in parts or all of 48 states: AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, and WY.
- Verizon Wireless also deployed Phase II E911 service to an additional 189 PSAPs since its last report. VZW now provides Phase II E911 service to a total of 1,986 PSAPs serving an estimated population of 163 million residents. Verizon Wireless provides live Phase II E911 service to PSAPs in parts or all of 44 states: AL, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NH, NJ, NV, NY, OH, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV and WY.

## DECLARATION OF RICHARD J. LYNCH

I have read the foregoing E911 Quarterly Status Report. I declare under penalty of perjury that the foregoing is true and correct. Executed on JUL 28, 2005.

A handwritten signature in black ink, appearing to read "Richard J. Lynch", written in a cursive style.

Richard J. Lynch  
Executive Vice President and  
Chief Technical Officer  
Verizon Wireless

## Certificate of Service

I hereby certify that on this 1st day of August 2005 copies of the foregoing E911 Quarterly Status Report in CC Docket 94-102 were sent by first-class mail to the following parties:

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